

CABLE & SATELLITE EXPRESS

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Audience research

PETAR: 68% reach for sat channels

PRELIMINARY PETAR (pan-European television audience research) results show commercial satellite TV channels attaining a 68 per cent reach over a four week period. That's 14.28 million viewers.

The long-awaited research was carried out by AGB Television International over the four week period March 16 to April 12, 1987. The survey involved 2,651 individuals living in twelve European countries. Only households where at least one satellite channel could be received were surveyed. National samples were weighted to reflect the availability of channels in those countries. The universe is taken as eight million homes capable of receiving one or more satellite channels with an average of just over four individuals per household watching.

The survey used individual weekly diaries, personally placed over the four week period and collected in 192 randomly selected sampling points.

It showed that over a one week period 57 per cent of those able to see the new channels watched some satellite television. Over a four week period the figure rose to 68 per cent. For the head-to-head English-language rivals the reach figures are Sky (one week) 33 per cent, (four week) 44 per cent, Super Channel (one week) 17 per cent, (four week) 27 per cent.

The only other figures available so far are for each channel's penetration within the surveyed group. Reach figures have to be seen in the context of what percentage of surveyed homes had any particular channel available to them. For Sky the penetration figure is 92 per cent, for Super Channel 74 per cent.

The technical committee of PETAR is made up of the research officers of the sponsoring channels and is chaired by Julian Pounds of Super Channel. They

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UK DBS

BSB on the move

BRITISH Satellite Broadcasting kept up the pace last week with signing ceremonies for its IBA franchise, the Hughes satellite and commitments from its first round investors.

BSB is now a £222.5 million group. It officially holds the IBA 15 year DBS franchise and has ordered a £200 million satellite system from Hughes Aircraft.

At a well attended London press conference on July 15 BSB announced Hughes was about to sign for an August 1989 launch slot on the McDonnell

To this end BSB held a first meeting with chip manufacturers last week. In attendance were ITT, Motorola, Texas Instruments and Mullard. BSB and the IBA are also already in regular contact with the Tandic group in Norway. BSB's objective is to convince the chip makers there will be a real and large commercial



IBA chairman, Lord Thomson signing the formal DBS contract with Sir Trevor Holdsworth, chairman of BSB.

Douglas Delta rocket. It will be the revived launcher's first commercial lift.

With an August '89 launch BSB aims to be broadcasting its four channels by autumn of that year, and with the help of a first year £60 million advertising and promotion spend hopes to capitalise on the Christmas market.

Now that its satellite and launcher are booked BSB can turn its attention to the consumer electronics industry. It will be seeking to convince major manufacturers and retailers that up to half a million reception units should be ready for sale at launch. A first step is to inject some urgency into development and production work for the D MAC chips and conditional access systems.

market to serve and that therefore the heavy investment in development is worth it.

BSB has also suggested it might be willing to fund initial development work on behalf of companies. If this happens it will expect some control over licensing. This would in fact make sense, particularly if BSB wanted to control a proprietary conditional access system. It would also avoid any dependence on a sole source supplier of chips over which it has little or no control. On the other hand it would not want the chip design licensed too widely because this could endanger security. Moreover a vast array of branded products would

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Belgium

Media decree for Wallonia

THE Council for the French-speaking community in Belgium finally adopted a decree determining the legal framework for media in Wallonia on July 12. It comes six months after the Flemish Council adopted its decree in January.

The decree indicates which must-carry channels must be distributed unedited on cable nets. They include the two RTBF stations, TVi /RTL, TV5, local and regional stations available within the territory covered by the cable operator, future pay-TV channels and channels from the Flemish and German-speaking territories if there is a must-carry rule in force in favour of French channels in these areas. All other channels need written consent from the French executive.

Among other points under discussion was the creation of a body to monitor fairness of news programmes on both public and private television. But following heavy criticism the French executive decided to shelve this project.

Sponsoring on all programming except news also becomes legal with the decree. Public and private companies are now allowed to be mentioned by their logo

and the company's name at the beginning and end of the sponsored programme. This is said to be of particular interest to public broadcaster RTBF for which sponsorship will be a new source of revenue along with the licence fee and non-commercial advertising. The sensitive issue of non-commercial advertising will also be defined by the new decree.

The decree also introduces private regional TV stations covering parts of the French-speaking community as opposed to the private station to be operated by TVi/RTL which will be available throughout the area, and the 12 local TV stations which currently transmit within some cities and their surroundings. No projects have yet been declared. When they are they will have to broadcast at least 20 per cent of in-house productions as opposed to 75 per cent for local TV stations.

No amendments have been added to the decree to allow the creation of a radio station covering the entire community as planned by Audiopresse, the newspaper association also involved in TVi.

France

La Cinq, M6 'not EBU members'

CONTRARY to several reports last week in the French press La Cinq and M6 are not new members of the European Broadcasting Union.

EBU secretary general Régis De Kalbermatten specifically denied the reports to C&SE and said that all that has happened is that La Cinq and M6 have become members of OFRT (l'Organisme français de radiodiffusion et de télévision). OFRT is the only French representative at the EBU and up until recently it was barred to the two new channels.

However, the EBU has said that it is ready to have "contractual relations" with La Cinq and M6 through the offices of OFRT. This would enable the two new channels to use the Eurovision news service.

According to De Kalbermatten the two private channels have the same status in the EBU as Super Channel. Because of the participation of a private company — Virgin — in Super Channel's share structure the EBU administrative council made it clear last year that the EBU news exchange would be closed to it.

The EBU also says that Super does not originate enough material in-house to justify membership and that anyway there are already two active UK members.

After hard and heavy bargaining, John Whitney, DG at the IBA, managed to persuade the EBU in December last year to do business with Super.

However now a contract has been worked out with what Super Channel regards as unsatisfactory stipulations: Super has to pay the EBU for access to the network, cannot show any reports taken from the exchanges before 22.00 (CET) and must negotiate a royalty with each broadcaster.

This is now the kind of arrangement that La Cinq and M6 have with the EBU. However it could be temporary. De Kalbermatten says that a working party is considering the status of various new channels. The party should have come up with its recommendations at the end of this year or the beginning of next.

One of the channels which may suffer from this is TF1. TF1 is no longer a public service station since its privatisation and as a result may be barred from EBU facilities. It recently attempted to block La Cinq's entry to the OFRT in order to prevent it getting access to EBU material.

Britain

US companies increase stake in Croydon

CROYDON Cable Television, which was awarded a licence by the UK Cable Authority to operate a cable network for the London borough of Croydon, has taken on board further investment from the United States. It has admitted two new partners (both American) to the company's major shareholder, Cablevision-UK — itself a US-based company.

The two new US investors are both cable companies in the States — United Cable Television Corporation and United Artist Communications (both of Denver, Colorado). It is believed that they will provide about £6 million in equity. This will be enough to complete the financing of the company's network.

Cablevision-UK, which also includes two other US cable interests — Cablevision Systems Development Corporation and Alda-UK Communications, whose



US owner manages cable systems — now holds 39.9 per cent of Croydon Cable Television.

Croydon, which was one of the pilot eleven franchises, switched on its service in September 1985 and claims to have passed 25,000 homes. Penetration is believed to be something in excess of 20 per cent.

Cable and Satellite Europe Yearbook

CABLE AND SATELLITE YEARBOOK - the standard reference work for the new media in Europe - is now available in its fully updated 1987 edition. The completely revised directory of the **CABLE AND SATELLITE EUROPE YEARBOOK 1987** has a new, supplemental section on the home satellite TV reception industry.

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- Full listing of Europe's existing and future satellite programmers with details of their geographical coverage, encryption system and signal technical specifications.
- Directory country-by-country listing Western Europe's major cable networks town-by-town. Numbers of homes passed, TV channel capacity, and programmes available.
- Home satellite TV equipment manufacturers guide by product. Satellite Antenna, indoor and outdoor electronics.
- Directory of suppliers of cable network and master-antenna head-end equipment.

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Germany

Optimistic upturn on German frequencies

THE Deutsche Bundespost has taken Germany's private television programmers by surprise by issuing a revised list of available terrestrial frequencies. They suggest that 23 million Germans in 100 towns will be able to get one extra station over-the-air and 13 million in 65 towns will be able to get two additional stations. This is up from the 16 million figure quoted when the DBP first announced the availability of the frequencies exactly a year ago.

PTT minister Schwarz-Schilling's acclamations on the frequencies was met with derision last year from the technical director of ARD, Wolfgang Frank. Frank maintained the ARD had first say to a third of the frequencies to complete its own terrestrial network. This time round the DBP has done its homework more thoroughly. It has given the impression that all the capacity identified is open to the private sector. Moreover it says 70 per cent has been coordinated internally to ensure it does not interfere with ARD and ZDF. 25 per cent has been coordinated internationally. Schwarz-Schilling says the entire coordination process should be complete by the end of the year.

However the DBP has failed to specify precisely when the precious frequencies can come into use. What is already apparent is that this is a slow process. Today they have only started functioning in Munich, Mainz, Kaiserslautern, Koblenz and Trier. The big addition will be West Berlin which is kicking off next month, to coincide with the Berlin Broadcast Fair, and which could reach 1.85 million viewers.

Schwarz-Schilling is trying to chivvy regional media authorities along to get their orders in for transmitters and lines. He says that if orders are submit-



Deutsche Bundespost: now it's up to the authorities

ted by the end of August the DBP pledges to have frequencies operational by March next year at the latest. All the frequencies could be up and running by the middle of 1989.

This puts the onus on the media authorities of Germany's eleven states. The seven Länder with right-wing CDU/CSU governments or CDU/FDP coalitions are keen to move fast, whereas the four SDP Länder are more reluctant to allocate the frequencies. In the case of Hesse and Bremen there is still no media treaty to regulate private television and radio. In North Rhine Westphalia no progress can be made because although the media treaty has now been passed the media authority is only just taking shape.

The frequencies are of particular importance to SAT 1 and RTL Plus which have emerged squarely as the private German channels most likely to succeed. They have been struggling to reach viewers through cable which has suffered from slow growth and mediocre penetration. Three million of Germany's

25.3 million homes were connected to cable by the end of June. This will only have risen to 3.5 million by the end of the year. Only 2.5 million homes get satellite TV because the DBP has not completed installation of earth stations at cable headends. This is still a long way from the 4.4 million homes considered necessary in the Witte report for financial viability. It also makes a mockery of the national media treaty agreed upon by the 11 prime ministers earlier this year which formally recognises the coexistence of private and public broadcasters.

To date SAT 1 has been the main beneficiary of the frequencies. It was considered to be making great progress when it started transmitting terrestrially in Munich last year. However the figure of 400,000 new households getting SAT 1 over-the-air that was bandied about, is more likely to be closer to 40,000 now that reception problems and the weakness of the frequencies have become apparent. Another unexpected problem is that some of the transmitters are not co-located with the state broadcasters. This necessitates a second aerial for the consumer, costing between DM500-1,000, and has acted as a distinct dampener on SAT 1's availability in the Bavarian capital.

Another problem is cost. SAT 1 calculates that it will have to add DM13.4 million to its annual budget to cover terrestrial transmissions costs and this does not include lines to the transmitters. This is significant expenditure for a channel that only generated DM10.9 million in advertising last year.

State	Primary frequency	Secondary frequency
Berlin	1.85m	—
Bavaria	3.464m	3.282m
Baden-Württemberg	1.105m	0.696m
Bremen	1.240m	1.240m
Hamburg	2.0m	1.8m
Hesse	0.3m	—
Lower Saxony	4.231m	2.047m
North Rhine Westphalia	6.535m	2.540m
Rhineland Palatinate	0.740m	0.32m
Saarland	0.245m	—
Schleswig-Holstein	1.638m	1.218m
Total	23.348m	13.148m

France

TF1 snubbed

AS expected, the French public has proved relatively indifferent to the offer for sale of 40 per cent of the equity of TF1.

The French over-the-air TV channel was put up for sale at the beginning of this week. It was over subscribed — but had only twice the number of applications necessary. While this is more than some expected it still falls far short of the number who applied for other privatisations carried out under the present Chirac administration.

The reticence on the part of the public is believed to be due to recent doubts about the channel's chances of profitability. Recently, many have questioned whether the present TV set-up in France — where three of the six channels rely entirely on commercials and the other three rely on them partly — will manage to survive. It has been suggested that one or two (or even three) channels will have to go under. TF1 has also fared badly in the "cheque book war" currently being waged between it and its direct competitor La Cinq, where the latter has succeeded in poaching some of TF1's biggest stars.

As C&SE went to press, the ministry of finance had still not given any official figures on the privatisation. This is believed to be because of the delays caused by the long weekend in France because of Bastille Day on July 14, rather than to more sinister motives.

It is also not known yet whether any of the existing shareholders in the channel — such as Robert Maxwell — have used

the privatisation to increase their stake.

Fifty per cent of TF1 was sold to corporate interests, 10 per cent was offered to employees, and the remaining 40 per cent to the public. It is believed that there were only sufficient private shareholders to buy up 20 per cent of the shares so that the remaining 20 per cent should go to other corporate interests.

There is an opportunity, therefore, for several of the smaller shareholders in the first bid to up their share of the channel at the new lower price of the offer to sale. The first 50 per cent were sold for Fr3 billion with the remainder offered to the public for Fr1.6 billion.

The only man who would not have been able to buy more shares is Francis Bouygues. He already owns 25 per cent of TF1, which is the government-imposed maximum. The other current shareholders are:

Pergamon Media Trust (Maxwell):	10%
Groupe GMF/FNAC	3%
Société générale	2%
Editions mondiales	2%
Groupe Bernard Tapie	1%
Financière Faltas (M.M. Worms)	1.5%
Banque Indosuez	1.16%
Crédit Lyonnais	1.085%
SODETE	0.08%
Maxwell Media (France)	2%
Press interests: Le Point,	
L'Expansion, Groupe Marie-Claire,	
Le Quotidien du Médecin, Gallimard,	
Le Seuil, Les Editions de Fleurus	0.5%

Rights

CNN on Superchannel?

DRAFT contracts have been signed between Cable News Network and Independent Television News which would allow the Super Channel news service to use CNN programming on its nightly half-hour news slot.

News of the deal comes immediately after the 24-hour US channel clinched a deal with the BBC. From this month, the BBC has agreed to pay an annual subscription to CNN for each of its services — two TV channels, four national radio stations and the external services — to use up to 30 minutes of CNN material in every 24 hour period. The maximum length of individual excerpts

allowed is five minutes. The BBC will also be allowed to use the service as a source of information.

The deal with ITN will mean that a similar amount of programming will be available to Super Channel as to ITN's news service for the UK independent networks. It is believed that the deal between CNN and ITN should be concluded within a matter of days.

CNN is currently negotiating for the same kind of deal with TF1 and Danmarks Radio. It already has agreements with YLE (Finland), ORF (Austria), SRG (Switzerland), RTE (Republic of Ireland) Canal Plus, SVT and NRK.

UK channels

Super Channel moves Music Box

SUPER Channel is to drop Music Box from its nighttime schedule and redistribute the music programming in morning and afternoon shows. The move means Super Channel will no longer be a 24 hour service.

Research has shown the nighttime audience for music and other programmes is just not worth supporting the signal. Consequently music will be moved to morning and afternoon slots where Super Channel believes it will attract a higher audience. Neither Super nor Music Box Ltd could confirm whether six hours a day would still be supplied. "It is under discussion", was the only comment.

Super Channel took the decision to drop the late Music Box segment when it decided the provision of a coherent block of signals for UK operators to tape and

SUPER
CHANNEL

play out next day as a continuous channel would become worthless with the advent of MTV. Running the six hour block for UK operators meant Super Channel felt seldom able to preempt Music Box when it was showing open-ended sports finals etc. When the UK elections were shown through the night Super Channel shipped a pile of tapes to the UK operators at a price of £3,500. The service will cease in October. Super Channel has already served the three months required notice on the cable operators.

Commenting on the changes Music Box Ltd says: "We have a three year agreement with Super Channel. That has not changed and will not change".

Music Box says it may react in the courts to some press suggestions that this issue affects its overall business. "That is a complete misunderstanding," it says. It claims business has grown 400 per cent this year. Music Box distributes programmes worldwide, and was the first programmer to sign up with the Japanese NHK DBS service which began on July 4. It also supplies TV3 and ETB in Spain, RTP in Portugal and ITC in Iceland. It is also currently considering putting a package together for Israeli cable, and is about to be syndicated in the US.

Britain

"Battling against the media mercenaries"

SIR Denis Forman, deputy chairman of the Granada Group painted a pretty dismal picture of British TV at the annual Richard Dimbleby lecture in London on July 15. His criticism was two-pronged, directed at the government and a band of what he termed "media mercenaries".

The British government came under attack, and rightly so, for poking its nose too far and too publicly into television. Two of the media mercenaries were identified as Berlusconi and Murdoch. They were criticised for wanting to make a fast buck and posing a threat to British television's service to minorities. His hope for them was that they would sooner rather than later crave "the good

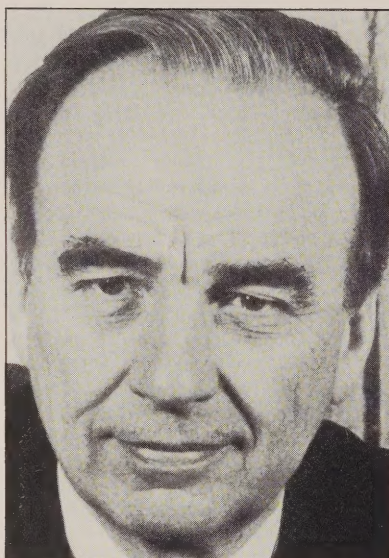


Berlusconi: irregular practices.

opinion of society more even than they had earlier craved riches and power".

However Forman also argued that "terrestrial broadcasting can continue to give us excellent regional and minority programmes ... British satellite broadcasting can offer new programmes of real quality ... and the international brigade can become popular tabloid broadcasters without swamping all other television". For this he defined a delicately balanced formula which puts the onus largely on the government. He said the government should be blessed with good will, a generous purse and a degree of distance.

Forman also painted a realistic, if pessimistic view of subscription television. Canal Plus, the partially scrambled French film channel in which Granada



Murdoch: after success not approval.

holds 3 per cent, is solid testimony to the fact that pay-TV can only work if it is "absolutely top of the pops. As one slides down the popularity scale, so does the profitability from subscription get less and less, until it hits the threshold of loss, which in this country may lie perhaps at an audience level of some six or seven million viewers." BSB, in which Granada is also involved, will doubtless bear this in mind with Screen, the planned scrambled film channel on BSB.

MTV ready, just

A LAUNCH party strategically thrown in Amsterdam on August 1 will herald the start of MTV Europe, cousin to the world renowned US channel.

The date has been chosen to coincide with MTV USA's sixth birthday and it has meant a rush to the wire to get the channel out at least a fortnight ahead of the schedule set only two months ago.

In mid-July there was no programme schedule and cable operators were complaining they had only been provided with full contract details less than a month before launch. They are also unhappy with the contracts which stipulate 25p per subscriber in the basic tier

Research

Slow start for BSB

BSB faces a very slow audience build up according to a major new report from Logica, the UK computer and communications company.

The report concentrates on the convergence of government deregulation and the emergence of new delivery technologies. In 500 pages "Television Broadcasting in Europe - Towards the 1990s", forecasts that major media groups vertically integrated with interests in distribution and productions, will take over many of the functions of national broadcasters.

Examining the present and expanding role of new terrestrial services, Logica concludes the going will be tough for new DBS and quasi-DBS services. It believes penetration for TV SAT will be fair, although mostly based on cable and SMATV expansion. For TDF the going will be very tough seeing that no radically new programming will be provided to an audience recently served by two new terrestrial channels.

For BSB Logica predicts very slow growth. One table shows it with 550,000 TVROs installed in 1994, a fraction of its target. Logica says a new broadcast format and the earlier establishment of an Astra reception market could mean resistance on the part of consumer electronics retailers to the BSB product. The report is also sceptical of BSB's claim to be able to manufacture reception kits for under £200 retail.

*The report costs £695 and is available from Logica on:
(01) 6379111*

and 35p in the premium tier. The operators believe MTV should be a free service like Sky and Super Channel. They are unhappy that the terms and conditions pertain only for the first year of three year contracts. MTV says it is impossible to predict how the business will be doing in year two and that it is possible charges will go down rather than up. In any event if an operator does not like the new conditions he is free to abort the contract. Some believe MTV had intended to supply a free service in the UK as well as the rest of Europe, but unexpectedly high charges from the rights holders have made it reconsider.

France

TDF 2 still in jeopardy

PRELIMINARY selection of candidates for TDF transponders was drawn by the French media authority, the CNCL on July 10, but the speed with which the short list was drawn up belies the confusion that still reigns.

Unsurprisingly, all but one of the foreign candidates were ruled out. This leaves TF1, Canal Plus, La Cinq and M6 for the second round of selections. Proposals from Mood Music, Olympia, Visnews, and Bravo TV were brushed aside. However, the Deutsche Bundespost's application for a full transponder, and Radio France's application for two audio sub-carriers were carried through to the second round.

The CNCL declines to reveal the factors which governed its decision. However it did say that "the final decision would not be made until later this summer". July 15, the date anticipated for an announcement, passed without any word from the authority.

More important than these habitual delays is the fact that TDF has not come any closer to funding TDF 2. Programmers are still holding out, saying they will not pay the transponder price asked. Furthermore pressure is mounting from within the French cabinet to draft a fresh financing proposal.

It is believed that the question of public and private funding of TDF 2, and hence the whole satellite system, underlined the CNCL's decision. The fact that it made its decision within 11 days of the June 29 deadline after such a lengthy prelude has been met with suspicion. It has invariably been put down to the fact that the CNCL knew that it would be going into recess in the middle of July. On closer inspection it is obvious that the CNCL had a reasonable idea of its decision even before the submissions were made. Sue Francis, director of Cable &

Satellite, the group behind the Olympia proposal said that the CNCL "needed a guarantee of finance ...It takes longer to conclude business from overseas". This indicates that the capacity of the programmers to contribute to the finance of Tevespace was imperative. Francis said she was aware of this, seeing it was one of the conditions laid down by the CNCL in the first place.

It seems this was why Visnews' proposal was also rejected. Barry McDonald, deputy DG of Visnews in London, said that while he had not heard anything officially from the CNCL, Visnews had not in fact made an application for a transponder, but a proposal to offer 24 hour news programming. Visnews made it quite clear from the outset that it was not in a position to finance the leasing of a transponder or subscribing to Tevespace.

What is suspect is the fact that it was TDF which invited Visnews and Olympia to make proposals, saying it could arrange a "series of marriages" with finance partners. However, neither Olympia nor Visnews thought that they were being 'led up the garden path'. Both are still hopeful that their programmes may re-emerge in some form on TDF. Olympia is hoping to get a late night three-four hour slot. Visnews, it is rumoured, may be taken back onto the shortlist.

Their hopes were underpinned by a statement by the president of TDF, Xavier Gouyou-Beauchamps. Commenting on the CNCL's decision, he said: "I do not think that it is over for these candidates. They have not been eliminated for their proposals, but on financial considerations. It seems to me that their chances are not finished. They can still make arrangements with the eventual programmers".



Longuet: will he stay quiet?

The decision to confine the programming shortlist to native private broadcasters reaffirms the French government's designs for TDF to be a vehicle for distribution, rather than a European showcase for French television. As a consequence it may end up having to put more money into TDF if it is to guarantee the future of TDF 2. As it stands programmers insist they will not pay the Fr120 million a year asking price, in addition to a Fr50-60 million to Tevespace, a Fr130 million deposit, and a penalty fee equivalent to three or four years lease if a programmer withdraws.

Programmers are expected to present their cases together when it comes to negotiating with TDF. No more than a Fr15 million cut is expected on the yearly transponder lease price. In any case, the initial wheeling and dealing with TDF is not over yet. Nicolas de Tavernost, DG of M6 said in a statement last week that M6 would only be interested if La Cinq were on the bird too. He is concerned that the public will not buy antennas just for M6. (TF1 and Canal Plus are not so concerned about this as they already have 90 per cent terrestrial coverage). After all La Cinq is now the channel with the 'stars' and commands 60 per cent coverage of France compared to M6's 30 per cent. La Cinq is believed to be unenthusiastic about TDF.

TDF's biggest fear is that the old opponents of TDF will now have fodder to demand the project should be scrapped. Alain Juppé, the budget minister, Gérard Longuet, PTT minister and the DGT would all be keen to see more money put into the rival system Telecom 1.

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US launchers

Atlas Centaur accident

GENERAL Dynamics which recently won a Eutelsat II contract for its Atlas Centaur rocket, suffered a severe blow when one of its rockets was damaged on the launch pad on July 15, postponing indefinitely the launch of a military craft.

The accident occurred when scaffolding fell and damaged a hydrogen tank which will now have to be replaced. This could take several months.

While the accident should not be a setback to Eutelsat which would only use Atlas Centaur for its second generation satellites if Arianespace cannot guarantee an early 1990 launch, it will not help restore confidence in the satellite insurance industry.

Meanwhile Arianespace has still not announced the launch date for Flight 19. While the most recent official statement put it at August 28, it is unofficially expected to be September 8. According to Arianespace the last acceptance tests were completed on July 10, and went according to plan. This means that further altitude simulation tests will probably not be needed, putting paid to the worst expectations that the launch would not happen until November.

Luxembourg concedes to Eutelsat

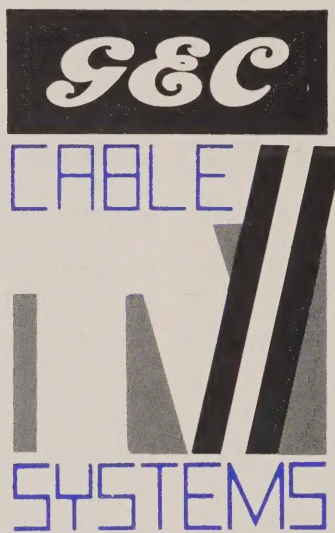
THE Luxembourg government finally put an end to its threats not to coordinate with Eutelsat when it agreed to ratify the Eutelsat convention. All signatories of the Charter had until September 1 to ratify the convention which will give Eutelsat a permanent status. Until this month only Greece, Yugoslavia and Luxembourg remained to sign up.

Few doubted that Luxembourg would eventually concede, and interpreted prime minister Jacques Santer's moods as an attempt to force Eutelsat to compromise on its previous offers to Luxembourg about Astra.

The way is now clear for British Telecom International to continue with negotiations, first with Intelsat and Eutelsat. The most likely resolution still appears to be a lease-lease back deal on Astra transponders. Eutelsat will want to wait the results of Astra's marketing before deciding the level of compensation.

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GEC Cable Systems is part of The General Electric Company, p.l.c., of England

Ireland

Shannon not impressed by fibre

WESTWARD Cable, the Limerick-based operator which recently launched a new net in Shannon, has now passed 1,100 homes, with about 200 homes connected. The system is the only one in Ireland to use optic fibre (in its trunk cable), but the viewers do not seem overly impressed by the high technology.

A spokesman for Westward said that the take-up rate in Shannon has been slower than in Limerick, and blames the summer season and the high unemployment in Shannon town. In comparison to Limerick, he said, where 30-40 per cent penetration was achieved soon after launch, Shannon has been disappointing. He added that in C2, D and E class areas in Limerick there is 70-80 per cent penetration. This should offer some encouragement for Shannon considering its high unemployment.

Neither Shannon nor Limerick are reached by off-air British TV, unlike eastern Ireland. This makes them totally reliant on cable for the signals. The attraction of Limerick viewers to cable was British television, as the cable system predated satellite TV.

Shannon viewers are being offered Irish channels RTE 1 and 2, UK channels BBC 1 and 2, UTV and C4, Screensport, Sky and Super Channel. For these nine channels, they are being asked a quarterly £24.75 subscription fee. The installation fee stands at £77 for overground cable which Westward installs itself, and slightly more for underground installations. The latter are leased on an annual basis from the PTT, Telecom Eireann.

Meanwhile Cablelink, the Dublin operator was to hold a board meeting on Thursday last week to decide on the channel reshuffle due in August. Cablelink will have a formal indication of response to the channels through the Irish PETAR figures which will be available within the next fortnight.

Management buy-out at Philips Cable

PHILIPS Cable Television has been bought by its managing director, Ronald Dean who has been at the helm for 26 years and owned the net up to 1974 when Philips acquired it. Based in Woking the company's prime business has centred on installing cable systems and TVRO's.

UK

Subscribers up 34%

THE UK Cable Authority's annual report shows promising signs for cable, but the Authority is still dissatisfied with the rate of progress.

The number of cable homes and the propensity to watch cable, as opposed to national TV, are the two most encouraging features of the report. It says the number of homes subscribing to cable is up 34 per cent on last year. This was in a year that six operators completed their first year in business. It was also a year that saw one new system go live - Ealing. East London Telecommunications, which went live on April 6, was not embraced because the report reviews the year ending March 1987.

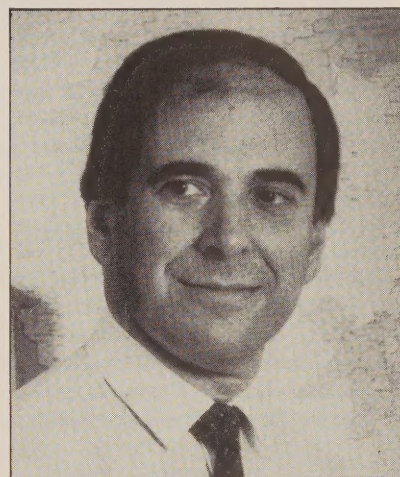
According to the CA, "The Authority was able to feel for the first time that cable was gradually becoming an established reality". It saw light beyond just subscription figures - in the range of new non-entertainment services being offered, which it "believes will have long term significance for the development of cable". It cites alternative telephone services, home shopping, fire and security alarms, warden call systems, interactive education and energy control as examples. While the list of value added services is impressive, in reality they have not yet materialised. The CA makes it clear that many of these were the "subject of study" and not necessarily live examples.

On the plus side cable in Britain has fared well against direct-to-home reception. The report claims that new customers for satellite television overwhelmingly receive it through cable. It also says that "interest in installing new cable systems has grown in recognition that communal reception is bound to be both more cost effective and less detrimental to the environment than a multitude of dishes".

On the programming front cable has also benefited from European satellite television. During the year the number of British channels rose to ten, including two ethnic channels and a greater number of foreign channels. While this development is directly related to opportunities outside Britain, it noted that channels such as Bravo, the 'classic movie channel' and Star still confine themselves to Britain.

As previously publicised through the recent JICCAR figures, the share of viewing gained by the cable channels increased to 33 per cent throughout the year. Premiere and Sky Channel pushed BBC2 and Channel 4 into fourth and fifth places among channels watched.

The CA also took the opportunity of the yearly summary to call for a relaxation of statutory restrictions on foreign control in cable companies. It said that it was not satisfied with the rate of installation of new cable, and blames the cautiousness of investors as the inhibiting factor. Richard Burton, chairman of the Authority said this would increase the interest and "concentrate the minds of British investors on the opportunities they are not presently seizing". This reiterated the sentiment of the first year's annual report, and expressed disappointment that the issue had still not been resolved.



Jon Davey: cable does offer choice.

Confidence in the cable industry was not helped by the Sir Denis Forman lecture on British broadcasting on July 15, which received widespread publicity in the industry and national press (see separate story: *Battling with media mercenaries*). The ideology underpinning his speech was diametrically opposed to that of the Cable Authority.

Jon Davey, director general of the CA has since lashed out against the view propounded by Forman. In an article in *The Sunday Times* he complained that the cable industry was always "shown the trade man's entrance in the broadcasting industry".

Davey says the cable industry's progress to date is still ignored by the broadcasting establishment and complained that the success and the "choice offered by cable" are not recognised and never used as a model for change within British broadcasting. He called for more active promotion of cable TV in this country. "The wider provision of consumer choice is worth stimulating and promoting more actively".

Continued from front page

PETAR

are currently assessing the data which runs to several hundred pages, so many that they are considering providing the channels with floppy discs rather than hard copy.

All the data will be released when tabulations have been produced and checked. Publication is due on August 3. This is behind schedule because some countries have had to be re-checked, particularly Germany where some channels felt there had been viewer confusion over the different music channels shown by Music Box (then not long subsumed into Super Channel), KMP musicbox and Sky Trax.

It is the main body of ratings research comparing each channel to national channels and to each other that is most keenly awaited. There will also be ratings information about programme strands. For example it is rumoured Super Channel is disappointed by the ratings for its news show which appears to be fighting a losing battle against national stations' main bulletins.

The PETAR survey was conducted in: the Netherlands, West Germany, Denmark, Belgium, Switzerland, Sweden, Finland, Norway, Austria, the UK, Luxembourg and France. A total of 65 separate TV stations were covered.

	reach % viewers		
	1wk	4wks	mill
All satellite TV	57	68	14.28
RAI	2	3	0.63
RTL+	19	23	4.83
SAT 1	19	23	4.83
Screensport	*	*	0.29
Sky Channel	33	44	9.24
Super Channel	17	27	5.67

* Screensport's four weekly reach in households where it is available is 49 per cent.

Channel penetration in survey countries:

Name	%
RAI	21
RTL+	27
SAT 1	27
Screensport	3
Sky Channel	92
Super Channel	74

After five years of broadcasting Sky Channel has 9.5 million homes in 19 countries. After five months Super Channel has 8.4 million in 14 countries.

Continued from front page

BSB on the move

confuse the consumer. BSB has said it has already agreed to pay the IBA a fee for its development work on the MAC broadcast formats.

So far the all-important programmes have taken a back seat. BSB expects to appoint a chief executive and possibly a programme director over the next three months. With payments for the satellites, the uplink, marketing and promotion BSB will have got through most of its £200 million by launch. Within days of the launch, providing all has gone well, the group expects to raise another £400 million in a private placement in London. It could be that up to half of this amount will be subscribed by the existing 11 shareholders. Eventually BSB does not rule out a public floatation part-way into the franchise period.

BSB says it does not need to spend a great deal of money building up a programme library prior to launch. Most deals can be done without money up front. It is still its intention to secure deals with Hollywood that will give Screen, the film channel, access to films soon after the video window. Of 25 new movies a month it would like a core four or five available at the same time or just after video.

Meanwhile Hughes says it has already taken on the extra staff it needs to work on its \$304 million BSB contract. It believes it will have no difficulty delivering the first satellite by August 1989. By then the second bird will also be near complete. Hughes says it could be ready for launch "within weeks" if there is a problem with BSB1. If there is a problem with BSB2 then the shareholders have an option to cut their losses.

As already announced, built into the Hughes contract is a deferred payment of about £50 million in non-recourse finance. The exact period of deferment is still uncertain but if BSB could not pay Hughes would gain title to the satellite. It could then try and sell the bird, or what was left of it, in orbit.

Not that Hughes is expecting reliability problems. It will be fitting the 1,400 pound (in orbit) satellites with two 55 watt tubes mounted in parallel in each of the five transponders. Each channel signal is relayed through the transponder tubes simultaneously giving an output of 110 watts. BSB says this will give an EIRP of 59dBW, allowing reception via a

30cm dish in most of the UK.

BSB Shareholders

Founders:	£m invested
Anglia Television Group plc	11.5
Granada Group plc	35
Pearson plc	30
Virgin Group plc	25
New investors:	
Bond Corporation Holdings	50
Chargeurs SA	24
Invest International	5
London Merchant Securities	10
Next plc	10
Reed International plc	20
Trinity International	2
Total	222.5

The money due from investors is to be paid when requested by BSB. It will be raised by pro rata calls on all investors. £13.35 million is to be paid at once, and a further £14.5 million at the end of August, with £22.2 million expected to be called by the end of 1987. It is expected the balance of £172.5 million will be called by mid-1989.

UK cable

New franchises in the offing

Up to four new cable franchises could be advertised within the next fortnight. Jon Davey, director general of the Cable Authority said it expected to be able to advertise the new franchises this year. While his response was not very precise, earlier this year when there was speculation that a Birmingham franchise would be offered, the CA denied that this was definite.

It is believed that the Birmingham franchise will indeed be offered later this year, but that three other areas could be franchised before that. These could be Kensington and Chelsea in London, and north east Lancashire. Davey said that they could not be advertised until the Authority was satisfied that there would be at least one good applicant, who because of the cost of cable builds, will have to prove that there is sufficient financial backing. To this end the Authority is already having informal discussions with a number of candidates.

...In brief...

Megasat has supplied Wegener narrowband subcarriers to the **BBC** for transmitting the World Service from Intelsat V 27.5 degrees West...**AT&T** announced net profits for the quarter of \$596 million or 55 cents a share, 49 per cent up on the same period last year...**TV am** needs to improve its news output, diversify into other media markets and develop into cable and satellite markets if it is to remain competitive and keep its **IBA** franchise — claimed PCL students in an award-winning report...**John Wilson**, formerly editor of BBC radio news and current affairs, has been promoted to the new post of controller of editorial policy at the **BBC**...**Screensport** secured exclusive rights from Thames TV to transmit 34 first division soccer matches by cable and satellite starting from August 17...recently labelled Britain's worst public service in a national poll, **British Telecom** has announced profits of £40 million a week before tax...**Axel Springer Verlag**, shareholder in **SAT1**, owner of *Der Spiegel* and *Bild*, announced net profits of DM94 million in 1986 against DM61 million the previous year...Finnish company, **Lohja**, claims to have won the race in Europe to develop the flat, inch-thick television — although its present monochrome amber colour could delay production...**Phosphor Products** of Poole, Dorset which has just made the first production models of an inch-thick display with a touch-sensitive screen may dispute this...**Comsat** is undergoing a restructuring following the collapse of merger plans with **Contel**... **Storer Communications Inc** — may be sold for a total of \$2.5 billion, what is a rate of over \$2,000 per subscriber.

Diary

August 28-September 6 — Berlin International Audio & Video Fair, International Congress Centre, West Berlin, Germany.
Contact: AMK Berlin, Ausstellungs-Messe-Kongress-GmbH, Messedamm 22, 100 Berlin 19, Germany. Tel: (30) 30 38-1 Tlx: 182908

September 1-7 — IIC Annual Conference, Hotel Inter.Continental, Sydney, Australia.
Contact: International Institute of Communications, Tavistock House South, Tavistock Square, London WC1H 9LF, UK. Tel: (1) 388 0671 Tlx: 24578 Fax: (1) 380 0623

September 22-24 — SCUC (Satellite Communications Users Conference), Infomart, Dallas, Texas, USA.
Contact: Kathy Kriner, SCUC, 6530 South Yosemite Street, Englewood, Colorado 80111, USA. Tel: (303) 694 1522 Tlx: 450726

October 10-17 — International Astronautical Congress (Thirty Years of Progress in Space), Brighton, UK.
Contact: IAF Headquarters, 3-5 rue Mario-Nikis, F-75015 Paris, France. Tel: (1) 4567 4260 Tlx: 205917

October 12-15 — Space 87, Metropole Hotel, Brighton, UK.
Contact: British Interplanetary Society, 27-29 South Lambeth Road, London SW8, UK. Tel: (1) 735 3160

October 13-19 — Intelevent '87, Hotel Inter.Continental, Geneva, Switzerland.
Contact: Marianne Berrigan, International Televent Inc, 1120 Connecticut Avenue NW, Suite 1144, Washington DC 20036, USA. Tel: (202) 857 4612 Tlx: 892415

October 14-16 — The Great International Celebration of Satellites in Space, Mayflower Hotel, Washington DC, USA.
Contact: Society of Satellite Professionals, PO Box 7154, McLean, Virginia 22106-7154, USA. Tel: (703) 356 3787

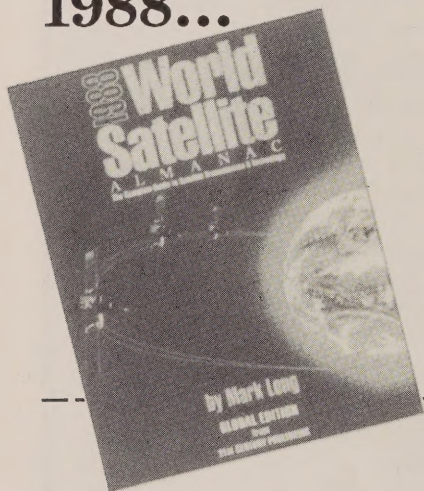
October 14-17 — Broadcast 87, Frankfurt, West Germany.
Contact: Messe Frankfurt GmbH, Ludwig-Erhard-Anlage 1, POB 870126, D-6000 Frankfurt 1, West Germany. Tel: (69) 75 75-0 Tlx: 411 558 messe Fax: (69) 75 75-433

October 15-19 — MIPCOM, Palais des Festivals, Cannes, France.
Contact: Midem Organisation, 179 avenue Victor Hugo, F-75116 Paris, France. Tel: (1) 45 05 14 03 Tlx: 630547

October 20-27 — Telecom '87, Palexpo, Geneva, Switzerland.
Contact: Secretariat Telecom '87, ITU, Place des Nations, CH-1211 Geneva 20, Switzerland. Tel: (22) 99 52 44 Tlx: 421000 Fax: (22) 33 72 56

November 15-18 — Globecom Tokyo '87 (Global Telecommunications Conference), Keio Plaza Inter.Continental Hotel, Tokyo, Japan.
Contact: Prof. Noriyoshi Kuroyanagi, c/o Japan Convention Services

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